ASSIGNED

No. 35043

APPLICATION FOR PERMIT
TO APPROPRIATE THE PUBLIC WATERS OF THE STATE OF NEVADA

Date of filing in State Engineer's Office FEB 28 1978

Returned to applicant for correction

Corrected application filed

Map filed FEB 28 1978

The applicant Nevada Central Holding Company

102 Roff Way (Street and No. or P.O. Box No.), of Reno (City or Town),

Nevada (89501) (State and Zip Code No.), hereby make application for permission to appropriate the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of incorporation; if a copartnership or association, give names of members.)

Incorporated in Carson City, Nevada on November 22, 1977

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1. The source of the proposed appropriation is Underground Well No. 4
   (Name of stream, lake, spring, underground or other source)

2. The amount of water applied for is 3.5 cfs second-feet
   (One second-foot equals 448.83 gals. per min.)
   (a) If stored in reservoir give number of acre-feet

3. The water to be used for Quasi-Municipal (Subdivision) and Domestic
   (Irrigation, power, mining, manufacturing, domestic, or other use. Must limit to one use.)

4. If use is for:
   (a) Irrigation, state number of acres to be irrigated:
   (b) Stockwater, state number and kinds of animals to be watered:
   (c) Other use (describe fully under "No. 12. Remarks"
   (d) Power:
      (1) Horsepower developed
      (2) Point of return of water to stream

5. The water is to be diverted from its source at the following point: NW¼SE¼ Section 16, T18N, R20E,
   (Describe as being within a 40-acre subdivision of public survey, and by course and distance to a section corner. If on unsurveyed land, it should be so stated.)
   M.D.B. & M., or at a point from which the E¼ corner of Section 16 bears, N 85° 54' 06" E 2,706.73

6. Place of use See Attached Exhibit "A"
   (Describe by legal subdivision. If on unsurveyed land, it should be so stated.)

7. Use will begin about January 1 (Month and Day) and end about December 31 (Month and Day), of each year.

8. Description of proposed works. (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) Drill well, install pump, motor, water lines, storage tanks and all appurtenant works for a community water system.
   (State manner in which water is to be diverted, i.e. diversion structure, ditches and flumes, drilled well with pump and motor, etc.)

9. Estimated cost of works $500,000.00

10. Estimated time required to construct works: Two Years
If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use: Ten Years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

This well is going to be comingled with Wells 1, 2 and 3 to develop a community water system to serve a maximum of 6,000 single family and apartment units along with a commercial and neighborhood shopping area. This underground source is being comingled with water from a surface right under the Orr Ditch Decree to develop a total community water system. The wells will be used for peaking during the summer and also for winter use when Steamboat and Last Chance Ditches are dry.

By s/Richard W. Arden
Richard W. Arden
950 Industrial Way
Sparks, Nevada (89431)

Compared gk/bc gk/bc

Protested 5/22/78 by Virginia Foothills Property Owners Association Inc.
5/22/78 by Trans Sierra Water Service Inc.

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

Applications 35981-35986 (inclusive) for injecting and temporarily storing a portion of existing surface water rights underground as recharge and Applications 35040-35043 (inclusive) for withdrawing up to the amount recharged underground on an average long-term basis are part of a proposed but unproved water use and management procedure in a limited segment of the South Truckee Meadows Ground Water Basin. It is expressly understood from recorded testimony at the hearing of August 17, 1978, in which Applications 35040-35043 (inclusive) were considered, that the procedure as proposed would be developed and refined in stages. Hence, the amounts, places, and timing for water stored and placed to beneficial use will occur in stages. Water for each stage must be approved or rejected by the State Engineer.

The permittee shall submit a proposal and receive approval from the State Engineer for the first stage of the water use and management procedure before placing water to beneficial use. Water for the second stage and subsequent stages will be dependent upon the State Engineer's determination that:

1. As a result of water use and management during the previous stage:
   a. There has been no net average long-term depletion of ground water within the place of use.

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 3.5 cubic feet per second.

Work must be prosecuted with reasonable diligence and be completed on or before July 17, 1983

Proof of completion of work shall be filed before August 17, 1983

Application of water to beneficial use shall be made on or before July 17, 1988

Proof of the application of water to beneficial use shall be filed on or before August 17, 1988

Map in support of proof of beneficial use shall be filed on or before August 17, 1988

Completion of work filed

Proof of beneficial use filed

Cultural map filed

Certificate No. Issued

IN TESTIMONY WHEREOF, I PETER G. MORROS, State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 17th day of JULY, A.D. 19 81.

s/Peter G. Morros
State Engineer

218 (Rev.)

CANCELLED OCT 6 1988 BECAUSE OF FAILURE OF APPLICANT TO COMPLY WITH THE PROVISIONS OF PERMIT

s/Peter G. Morros
STATE ENGINEER

b. Existing surface water and ground water rights have not been adversely affected.

If the State Engineer determines that condition 1 has been satisfied, he may approve the next stage of the use and management procedure as proposed. Otherwise, the State Engineer may reject the proposal and refuse to allow further development of water for the procedure. The final extent to which this water management procedure can be allowed for using the ground water reservoir as an exchange medium for implementing the use of surface water may be considerably less than the extent of the surface water rights proposed to be stored and used under Applications 35981-35986 (inclusive).

A quarterly water balance for the place of use shall be maintained as a written record by the permittee and reported annually or at lesser time intervals to the State Engineer as he may require. The water balance shall be developed in a manner and format satisfactory to the State Engineer. Such balance shall contain measured amounts of water input, withdrawal, and accumulation by place and time for specific sources and uses. Sufficient information shall be developed and reported to enable the State Engineer to determine the effectiveness of the use and management procedure for exchanging surface and ground water through the medium of storage underground.

At least five strategically placed ground water monitor wells are to be installed within the place of use at locations satisfactory to the State Engineer before any diversion of ground water from the production wells. The monitor wells must be suitably cased, perforated, sealed, and capped and must penetrate at least 50 feet below the water table. The State Engineer may order the placement of additional monitoring wells if necessary.

The combined diversion from this well and the wells under Permits 35040, 35041, and 35042 shall not exceed 1,000 acre-feet for each 12-month period beginning April 1st and ending March 31st of the following year. The permittee shall maintain a written record including but not limited to the amounts of water diverted and used from the well under this permit, and from each of the wells under Permits 35040, 35041, and 35042 the amount of water diverted and used under Permits 35981-35986 (inclusive) for the purpose or recharging the underground reservoir; the water level in wells for monitoring the ground water reservoir prior to recharge; and the water level in the said monitor wells subsequent to recharge.

The water allowed under this permit and Permits 35040, 35041, and 35042 may not be diverted and used until such time as the water granted under Permits 35981-35986 (inclusive) is not sufficient to supply the needs of the development for which Permits 35981-35986 (inclusive) were granted. The water allowed under this permit and Permits 35040, 35041, and 35042 may not be diverted and used during the irrigation season set on the Truckee River and its tributaries without specific written authorization of the State Engineer. The permittee must make written application to the State Engineer for such authorization.

Since the proposed water use and management procedure provides the potential for exchange of surface and ground water rights in addition to those allowed herein, the limitation of 1,000 acre-feet annual diversion from the wells under this permit and Permits 35040, 35041, and 35042 may be waived and the period of use extended by the State Engineer after sufficient operating experience has been evaluated.

This permit is subject to the State Engineer's verbal ruling at the hearing of August 17, 1978.

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

Cancellation, termination, withdrawal or any other restriction that may be imposed on the right to divert or use the water under Permits 35981-35986 (inclusive), shall result in the same loss or restriction to divert and beneficially use the water granted under Permits 35040 through 35043.

The total combined annual duty of water under this permit and Permits 35040, 35041, and 35042 shall not exceed 2,433.828 acre-feet or that amount less than 2,433.828 acre-feet as authorized and approved by the State Engineer.

EXHIBIT A

6. S½ Section 10, W½ Section 11, NW¼ SW¼, portions of NW¼ NW¼, SW¼ NW¼, SW¼ SW¼ Section 14, all of Section 15, SE¼ NE¼ SW¼, SE¼ SW¼, SW¼ SW¼, Section 16, portion of SE¼ SE¼ Section 17, portions of NE¼ NE¼, SE¼ NE¼ Section 20, NW¼ NW¼, NE¼ NE¼, SE¼ NE¼, SW¼ NE¼, portions of NW¼ NE¼, SW¼ NW¼, SE¼ NW¼, NE¼ SW¼, SE¼ SW¼, SW¼ SW¼ Section 21, N½ NW¼, NW¼ NE¼, portions of NE¼ NE¼, SE¼ NE¼, SW¼ NE¼, SE¼ NW¼, NW¼ SW¼, SW¼, NW¼, NE¼ SW¼ Section 22, portion of NW¼ NW¼ Section 23, T.19N., R.20E., M.D.B. & M.